

Gambling Control Board Meeting Minutes
November 4, 2009
45 Commerce Drive, Augusta, Maine

Meeting opened at 12:35 p.m..

Board members present: Chairman George McHale, Cushing Samp, Richard Arnold
Larry Hall and Peter Danton

Staff members present: Exec.Director Robert Welch, Auditor Scott Woods, Det. Don
Armstrong and Secretary Kathy Chamberlain

Legal counsel: Bill Stokes, Deputy A.G.

MINUTES FROM 9/16/2009 MEETING

Motion to accept: Cushing Samp

Seconded: Dick Arnold

Vote: 5-0

EXECUTIVE DIRECTOR'S REPORT – ROBERT WELCH

Bangor P.D. Calls - Bob mailed out the September and October calls to the Board.

Promotional Credits – still being discussed.

Introduction of the new HS general Manager - Mr. Welch introduced John Osborne, who is the new general manager of Hollywood Slots, replacing Jon Johnson. He has a varied background from public accounting to internal auditing to working at the Sands Casino.

OTB % - The percentage that the OTBs receive is changing eff 11/5/09 to 1% from 2%. This means that the General Fund will now be receiving 4% instead of 3%.

Bally Gaming Inc. License Renewal – Bally Gaming has had a suitability investigation conducted by Det. Armstrong in order to renew their license. Everything is completed and Bally's will receive their new October 2009 – October 2010 license.

Legal and Veterans Affairs Legislative Council Meeting on 10/19 on LD 533:

Work is still being done on this. If the Oxford County proposal comes out at the same time, it will have an effect on LD 533. This bill is a “resolve, authorizing the Joint Standing Committee of Legal and Veterans Affairs to report out Legislation regarding the expansion of Slot Machine and Casino style gambling.”

Complaint #1016 – 01

This was mailed to the Board. The situation was one where there was a violation of policy, a surveillance tape was reviewed. It had to do more with the nature of the security officer. This person received punishment by Hollywood Slots, which should be good enough and be accepted by the Board.

Motion: made by Cushing to approve the recommendation of the Complaint Committee.
Seconded by Dick Arnold.

Vote: 5-0.

FINANCIAL UPDATE – SCOTT WOODS

The Board has received the latest revenue sheets from Scott. The distribution of 2% to OTBs ends today. Tomorrow it goes to 1% and the General Fund will be receiving 4% instead of 3%. The overall total amount to beneficiaries is still 39%. Promotional Credits being credited back to Hollywood Slots, ended the last of September. As of October 1st, Hollywood Slots started paying taxes on those amounts.

STATE POLICE ACTIVITY UPDATE – DET. DON ARMSTRONG

Since the last Board meeting in September, the Gambling Control Unit has processed 25 applications, with 50 pending suitability investigations. MSP has investigated six thefts at the Facility: 3 are with the DA's office for prosecution, 1 was declined by the DA and 2 are still being reviewed. There were two policy violations – one of which was unfounded, the other was Complaint #1016 – 01.

UNFINISHED BUSINESS - NONE

NEW BUSINESS

IGT Digi Deal Machines. IGT is one of our licensed distributors. These machines are GLI approved and are slot machines. The only difference is that money is handled by a host, not the player like the 1000 slot machines there now. These are currently in several states. They would need to be monitored by Scientific Games. They are operated with a random number generator. The machine has five seats for up to five people to be seated, but each person is playing their own hand. Steve Lambert, HS, advised that it is an electronic table game. The host can take your money, put it in the validator, and credit you for play. It has the "feel" of a table game without being one. They take either cash or TITO tickets. HS would like to start out with a couple of tables first to see if the people like them.

Discussion:

Peter Danton advised he would like the Legislature to see this first and give their opinion, before he decides on this. He would like Legal and Veterans Affairs Committee to look this over. If HS put five of these tables in, they would take out five slot machines, so the total number of machines at the facility is still 1,000. Dep AG Bill Stokes advised he thought these met the definition of a slot machine. George McHale also advised that he didn't think the Board has any grounds to therefore say no. All five machines would still be one game and one random number generator. It can do 1-12 decks of cards at a time.

Motion: Cushing moved the Board approve the use of the Digi Deal machines by HS.
Second: by Peter Danton for discussion

Discussion continued...Peter still thinks Legal and Vets should see this. Cushing felt that the Legislative language that was originally drafted should stand as the basis for the Board to refer to, but doesn't see that the Board has to ask Legislature first, but rather inform them of the Board's decision to approve these. Dick Arnold would also like to have Legislature look at it. The only difference between these machines and single machines is that it has a single random number generator to provide for all five playing. It can be just ONE person playing, it doesn't have to be four or five. Whatever one person elects to do in play, does not affect what the others are doing.

Dep AG Bill Stokes advised that the authority does rest with the Board to decide. However, does HS have any right to any type of enforceable slot machine there? NO. They need approval from the Board.

Motion to table: by Dick Arnold until Bill Stokes has time to research and review the statutes.

Seconded by Cushing who withdrew her motion

Seconded by Cushing to second the tabling of this motion

Vote: 5-0

BUDGET CUTS – COMMISSIONER JORDAN

Commissioner Jordan advised the Board of the current budget status and shortfall within state government. She had submitted her list of proposed cuts: the Executive Director of Gambling and the Director of the Crime Lab positions are on the list. The list went to the Appropriations Committee who then gave a list back to us of what they might consider for \$30 million worth of cuts, which has to be done before they can address the \$200 million. Overseeing the Gambling unit will be shifted to the Gaming unit. It will take legislative and statutory change to do it. The Governor's Office has to approve this to the Appropriations Committee and then it will go on to Legislature when they reconvene in January 2010.

Public Comments – None

Next meeting is December 16, 2009

Adjournment at 2:05 p.m.

Respectfully submitted,

Kathy Chamberlain, secretary